

## **INITIAL STATEMENT OF REASONS FOR THE ADOPTION OF REGULATION SECTION 17000.3**

### **PUBLIC PROBLEM, ADMINISTRATIVE REQUIREMENT, OR OTHER CONDITION OR CIRCUMSTANCE THAT THE REGULATION IS INTENDED TO ADDRESS**

SB 445 (Burton, Stats. 2001, ch. 670) amended Government Code section 11125.1 by adding a new subdivision (c) and renumbering existing subdivisions (c) and (d) as (d) and (e), respectively. The new provision, which applies specifically to the Franchise Tax Board, requires public dissemination of certain writings distributed to the Board members by staff or individual members when those writings relate to an open session agenda item on which the Board may take action at a noticed Board meeting.

This new law is expected to require substantial changes in existing procedures relating to Board meetings. Specifically, certain terms, including "final action" and "writings pertaining to that item," are not defined by the new statutory provision. In order to implement and make specific the new provision, the Franchise Tax Board proposes to adopt a new regulation under California Code of Regulations, title 18, section 17000.3, to clarify and define these terms and other specific Board meeting procedures implicated by the new statutory provision.

### **SPECIFIC PURPOSE OF THE REGULATION**

Prior to the Franchise Tax Board taking final action on any open session agenda item, writings pertaining to that item that are public records pursuant to Government Code section 11125.1, subdivision (a), and that are to be distributed to Board members by either Franchise Tax Board staff or individual members prior to or during a meeting, shall be made available for public inspection, to persons requesting notice in writing, and must be posted on the internet.

The proposed new regulation will define the terms "final action" and the phrase "writings pertaining to that item" contained in Government Code section 11125.1, subdivision (c).

### **NECESSITY**

The adoption of California Code of Regulations, title 18, section 17000.3, will establish definitions of terms and phrases with respect to meetings of the Franchise Tax Board that are subject to the new provisions contained in Government Code section 11125.1, subdivision (c).

### **TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS RELIED UPON**

None identified.

**ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD  
LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS OR SMALL  
BUSINESS**

No adverse impact to private persons or small businesses is foreseen as a result of this regulation. No alternatives were presented to nor considered by the Franchise Tax Board which would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected private persons or small businesses than the proposed regulation.

**ADVERSE ECONOMIC IMPACT ON BUSINESS**

None identified.